



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0281	Title:	Revise driver license suspension law
Primary Sponsor:	Shockley, Jim	Status:	As Amended

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$2,400	\$0	\$0	\$0
Revenue:				
General Fund	\$3,367	\$3,767	\$3,967	\$4,067
Net Impact-General Fund Balance:	<u>\$967</u>	<u>\$3,767</u>	<u>\$3,967</u>	<u>\$4,067</u>

Description of fiscal impact:

Section 4 of the amended version of SB 281 adds 61-5-218 (2)(c), MCA, which provides that driver license reinstatement fees, following a license suspension or revocation for an offense which is not included under 61-5-205 or 61-8-402, MCA, must be waived by the department when a court notifies the department that the person has satisfied the requirements of 61-5-214(2), MCA, and the court has determined that the person is indigent under the standards set forth in 47-1-111, MCA. Amendments to SB 281 also create the anticipation of an increase in the number of court requests and should shift suspension requests from multiple traffic to separate incident non-compliant criminal cases. In FY 2010, it is anticipated that one-time contracted programming costs for system configurations and testing of the Montana Enhanced Registration and Licensing Information Network (MERLIN) will be incurred. There are anticipated increased general fund revenues that more than offset costs associated with this bill.

SB 281 is one of several bill drafts that seek to modify motor vehicle laws and therefore the motor vehicle licensing system (MERLIN). The fiscal note for each bill will be prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may provide opportunities to share or redistribute costs.

FISCAL ANALYSIS

Assumptions:

Department of Justice (DOJ)

1. In CY 2008, the department posted \$818,200 in fees due for reinstatement of non-alcohol related driver's license suspensions or revocations (driver's license or driving privilege was not suspended or revoked under 61-5-205 or 61-8-402, MCA), and collected \$521,300 of these reinstatement fees. This equates to 8,182 suspensions ($\$818,200 / \100) in 2008. It is assumed that this is the same number of driver's license suspensions in FY 2009.
2. In accordance with the provisions of SB 281, the income/asset/debt analysis that is expected to be applied to a low-cost fee waiver is estimated to reduce state general fund revenues for non-alcohol related reinstatement fees by less than 10%.
3. It is assumed that indigent defendants now eligible for waiver of a non-alcohol reinstatement fee will oftentimes be subject to a non-waived alcohol fee that is still mandated in accordance with 61-2-107, MCA. One-third of current driver improvement actions do not overlap with alcohol fees. The anticipated revenue reduction to the state general fund account would be \$17,400 annually. (FY 2010 = $\$521,300$ CY 2008 fees paid $\times 10\% = \$52,130 \times 1/3 = \$17,400$)
4. Assuming a 4% increase in non-alcohol related suspensions annually, a corresponding increase of revenue is anticipated to be deposited into the state general fund in the amount of \$10,900 in FY 2010, \$11,300 in FY 2011, \$11,500 in FY 2012, and \$11,600 in FY 2013. (FY 2010 = $8,182$ violators FY 2009 $\times 4\% = 327$ additional suspensions $\times 1/3$ do not overlap = 109 violations $\times \$100$ fee = $\$10,900$), (FY 2011 = $8,509$ violators $\times 4\% = 340 \times 1/3 = 113 \times \$100 = \$11,300$), (FY 2012 = $8,622 \times 4\% = 345 \times 1/3 = 115 \times \$100 = \$11,500$) (FY 2013 = $8,737 \times 4\% = 349 \times 1/3 = 116 \times \$100 = \$11,600$)
5. Assuming a 3% reduction in the frequency of overlapping driver improvement actions, it is estimated that revenue deposited into the state general fund would increase by \$9,867 annually. [$(\$818,200$ fees posted in CY2008 - $\$521,300$ fees paid in CY2008 = $\$296,200 \times 3\% = \$8,886$) + $(\$32,700$ increase in revenue $\times 3\% = \$981) = \$9,867$].
6. It is assumed that MERLIN system configuration and testing will be required in order to make Fail To Appear (FTA) and Fail To Pay (FTP) business rules updates. Haley Business Rules Engine will be the input mechanism used to make the necessary changes.
7. Justice Information Technology Services Division will contract the programming changes to the system contractor. It is assumed it will take them 15 hours for a total cost of \$2,400.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
Department of Justice				
<u>Expenditures:</u>				
Operating Expenses	\$2,400	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$2,400	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$3,367	\$3,767	\$3,967	\$4,067
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$967	\$3,767	\$3,967	\$4,067

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date